



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

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June 21, 2000

Mr. Robert C. Kirk
Financial Manager
Utah State Treasurer
215 State Capitol
Salt Lake City, Utah 84114

Re: Authorization to Release Funds, Jumbo Mining Company, Drum Mine, M/027/007,
Millard County, Utah

Dear Mr. Kirk:

This letter is sent authorizing partial release of funds being held by the Utah State Treasurer's office as reclamation surety for the Drum Mine, on behalf of the Division of Oil, Gas and Mining. These funds are presently being held in the Utah Public Treasurers' Investment Fund, escrow account number 6015. The Division has entered into a settlement agreement with Western States Minerals Corporation (WSMC) wherein they have agreed to reclaim the Drum Mine site and act as the sole source contractor on behalf of the Division to perform reclamation of the mine site. The forfeited reclamation funds originally filed by Jumbo Mining Company (JMC) will be used to reclaim portions of the mine site.

As part of the settlement agreement, a percentage of the forfeited funds will be paid to WSMC upon commencement of reclamation activities at the Drum Mine site. The balance to be released when reclamation is determined to be complete. Western States has commenced onsite reclamation activities and has formally requested release of the forfeited JMC funds according to the settlement agreement conditions.

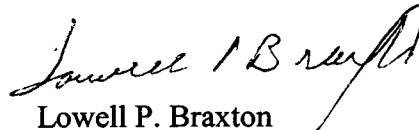
Please make arrangements to release \$99,335 (principal and interest) of the escrow account fund balance. Make the effective date of this transaction to occur as soon as possible. Please forward the check for the authorized amount to WSMC to the attention of:

Mr. John F. Carmody
Western States Minerals Corporation
4975 Van Gordon Street
Wheat Ridge, Colorado 80033

Page 2
Robert C. Kirk
M/027/007
June 21, 2000

Thank you for your assistance in this matter. If you have questions or concerns with this authorization please contact Mary Ann Wright at, 538-5306 or D. Wayne Hedberg at, 538-5286.

Sincerely,

A handwritten signature in black ink, appearing to read "Lowell P. Braxton", with a stylized flourish at the end.

Lowell P. Braxton
Director

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cc: Craig Carver, Alfers & Carver
Rex Rowley, BLM
Sally Wisely, BLM
Kurt Seel, AAG

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